An Investigation of the Opportunities and Impediments of Apparel Entrepreneur

Synopsis

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Submitted by

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SECTION 1

1.0 Introduction

Workforce participation throughout the world is increasing day by day and a larger number of people have established their own enterprises in different sectors. Potential entrepreneurs in India must contribute significantly to the nation's economic growth. As Apparel sector is contributing substantially in employment generation and export but this sector has suffered due to very nature of being unorganized with additional constraints like lack of education, capital, poor exposure to new technologies, absence of market intelligence and poor institutional framework. Since several development programs have been put into place in this direction. Still, it a foremost problem for the government and promotional agencies to recognize potential entrepreneurs, their current status, and challenges and to decide to implement and derive the optimum benefit of promotional measures to attain a consistent and fast growth of entrepreneurs. Over the last few years, the promotion of entrepreneurship has become a key area of debate among the academics, policy makers and supporting agencies. In the context of Apparel sector, there are many aspects that need to be catered to for which an implementation of practices is required that may encompass the challenges in this sector.

1.1 Apparel Industry

The textile industry in India is one of the country's oldest, having existed for several centuries. Textiles are distinct from other industries in the country because of their tight ties to agriculture (for raw materials such as cotton) and the country's old history and customs in terms of textiles.

India is known for making high-quality handcrafted textiles employing specialized techniques perfected over thousands of years, using local plant fibers and dyes. It has also relied on the export of those items for a long time, but globalization has not come without a cost.

India's domestic clothing and textile sector generates around 2% of the country's GDP and 7% of industrial production in value terms. In 2020-21, textiles, clothing, and handicrafts accounted for 11.4% of India's total exports. India accounts for 4% of the global textile and clothing trade.

India is a major producer of cotton and jute in the globe. India is also the world's second largest producer of silk, accounting for 95% of all hand-woven cloth. The Indian technical textiles market is projected to be worth $16 billion, accounting for around 6% of the global market. The textile and garment industry

in India is the country's second largest employer, employing 45 million people directly and 100 million indirectly.

Around 4.5 crore people are working in India's textile sector, including 35.22 lakh handloom workers. In 2018-19, the sector provided 7% of total industry output (by value). In the fiscal year 2018-19, the Indian textiles and apparel industry contributed 2% to GDP, 12% to export earnings, and 5% to the global textiles and apparel trade. Between April and October 2021, textile exports (RMG of all textiles, cotton yarns/fabrics/made-ups/handloom items, man-made yarns/fabrics/made-ups, handicrafts except handmade carpets, carpets, and jute mfg. including floor coverings) were US$ 22.89 billion. By 2029, the Indian textiles market is anticipated to be valued at more than US$ 209 billion.

Only when a country's citizens engage in entrepreneurial activity can generate a consistent stream of economic prospects. A healthy economy may be built by good entrepreneurs. They are a crucial aspect of a country's industrial growth and development.(Ihugba, Odii, & Njoku, 2013). India as a country has several business and investment potentials due to the abundant, vibrant, and dynamic young people and natural resources it possesses. The performance and effectiveness of entrepreneurs in a country like India are an instrument of economic growth and development.

Handicrafts make up a significant part of our economy's decentralized/unorganized sector. It is primarily rural in nature, with a reach into underserved and inaccessible areas.

It began as a part-time business in rural areas and has now evolved into a thriving economic activity as a result of increasing market demand over time. Handicrafts have a lot of potentials because they are key to supporting not just the existing set of millions of artists distributed over the country, but also a growing number of new entrants into the crafts industry.

Currently, the handicraft sector contributes significantly to job creation and export, but it has suffered as a result of its unorganized nature, as well as additional constraints such as a lack of education, capital, poor exposure to new technologies, a lack of market intelligence, and a weak institutional framework.

1.2 Concept of Entrepreneurship

The word Entrepreneur was firstly applied to the business by the French economist CANTILLON in the 18th century. He developed one of the early theories of Entrepreneur and is regarded as the founder of the term. He has viewed the term Entrepreneur as a risk taker, observing that merchant, farmer,

craftsman, and other sole proprietors. According to Peter F. Drucker, An Entrepreneur as one who always searches for changes, respond to it, and exploits it as on opportunity. According to Joseph A. Schumpeter, recognized person who introduce innovation, changes and entrepreneur the treated entrepreneur as an integral part of Economic growth. The fundamental source of equilibrium was the entrepreneur. An entrepreneur is a person who discovers and assesses a new situation in his environment and directs the implementation of any economic system changes that he thinks necessary. He is continually on the lookout for change, reacts to it, and seizes it as an opportunity. Entrepreneurs use innovation as a tool to take advantage of change as an opportunity to start a new firm or provide a new service. Entrepreneurs face numerous challenges when starting a new business, including insecurity, stress, a negative mindset, overwhelming feelings, a lack of support, feelings of wanting to give up, growing a business, raw material problems, marketing problems, outdated technology, a lack of infrastructural facilities, a lack of skilled labour, and so on.(Kanchana, Divya, & Beegom, 2013).

Entrepreneurship is critical to a country's development. Entrepreneurs, on the other hand, cannot function in solitary confinement; they require the correct environment to prosper. Entrepreneurship entails more than just "creating a business." Entrepreneurship is a system for identifying opportunities, allocating capital, and creating value.(Dickson, Yao, & Hill, 2020).

According to MSME, Enterprises engaged in manufacturing or production process or preservation of goods as specified below:

Table 1: MSME Classification of Enterprises on basis of Investment in Plant, Machinery or Equipment and Turnover

S.no	**Manufacturing & Services**	**Investment & Turnover**	
1	A Micro Enterprise	Investment in plant, machinery, or equipment and	Does not exceed one crore rupees (< Rs. 1 Crore)
		Turnover	Does not exceed five crore rupees (< Rs. 5 Crore)
2	A Small Enterprise	Investment in plant, machinery, or equipment and	Does not exceed Ten crore rupees (< Rs. 10 Crore)
		Turnover	Does not exceed fifty crore rupees (< Rs. 50 Crore)

3	A Medium Enterprise	Investment in plant, machinery, or equipment and	Does not exceed Fifty crore rupees (< Rs. 50 Crore)
		Turnover	Does not exceed two hundred and fifty crore rupees (< Rs. 250 Crore)

(Source: MSME,2022)

MSMEs are an important sector for the Indian economy and have contributed immensely to the country's socio-economic development.

SECTION 2

2.0 Literature review

The review of literature for the proposed research is carried out to understand the key challenges and enablers of Apparel Entrepreneurs and gain I insights into the current scenario of Apparel sector in India. The reviewed literature covers 20 papers (in the table mention is made of 31 studies), articles, books that are focused on the challenges of entrepreneurs. All the papers highlighted the issues or challenges faced by entrepreneurs in this field. The major problems faced by Entrepreneurs is the lack of funds, knowledge about loans, unavailability of raw materials, unavailability of skilled labor, no proper machinery, inaccessible to the market, rules and regulation of government, finding loyal customers, finding honest suppliers, ever changing industrial trends(Raj, 2016)**.**The Entrepreneurs faced lots of challenges i.e., lack of patience in solving problems, lack of sustained motivation, inability to dream and use subconscious, developing vision and ideas, raising capital, assembling a team, finding a right location, finding the right employees, finding good customers, overcoming competition, unforeseen challenges and expenses.(Kanchana, Divya, & Beegom, 2013)**.** Obstacles and acknowledge is common denominator of new and growing entrepreneurial firms i.e., governmental policies and initiatives, education, and growth in the vicinity of entrepreneurs. However, several others' problems which specifically faced by apparel entrepreneurs are not found. There were 10 papers, articles which are focused on enablers of entrepreneurs.

In any civilization, entrepreneurship is one of the primary drivers of growth. The key role entrepreneurship plays in economic growth and development makes it an important factor demanding

attention from all stakeholders – government, educators, politicians, social change agents (social entrepreneurs), and so on. Entrepreneurship education is a deliberate attempt tailored towards the development of knowledge and skills about entrepreneurship. It is critical to shift people's mindsets toward entrepreneurship (Eze & Nwali, 2012).. Innovation and long-term product development will be aided by an organization's strong innovation skills(Sulistyo & Siyamtinah, 2016). Personality and self-efficacy emerged as the most important enabler followed by support for businesses from government and women focused initiatives from government and NGOs(Tanusia, Marthandan, & Subramaniam, 2016).

2.1 Classification of Literature Review: A broad classification is given as follows:

1.Focus of the paper

- Problems or challenges of Entrepreneurs
- Enablers to entrepreneurs
- Problems of Apparel or Textile Entrepreneurs

2.Context of the paper

- Indian
- Foreign

3.Type of Data for analysis

- Qualitative
- Quantitative

4. Research design

- Exploratory
- Descriptive

2.2 Summary of Research gap

There are various internal and external challenges that will be faced by entrepreneurs in the form of competition, unforeseen business challenges, developing new business idea, vision, raising capital, and findings the best location for the startups are the internal challenges. The major factors identified that entrepreneurial firms could not obtain license within about a week, or with the amount of tax payable

being a burden on firms, as well as government programs are not adequate and the biggest challenge for foreign entrepreneur is culture and transfer of knowledge(Dickson, Yao, & Hill, 2020)**.**The researcher recognized the top five challenges of Entrepreneurs are Developing Business and vision, Financial Investment to start the Business, Arranging the Business team, Finding the Business Location in right place, Finding good employees(Vignesh & Yoganandan, 2020)**.**

Thus, entrepreneurs cope up from these challenges such as being optimistic, expanding the ideas and vision to potential investors(Fong, Jabor, Zulkifli, & Hashim, 2019)**.**Government policies failed due to over bearing bureaucracies, corruption, inadequate and inefficient infrastructural facilities and maladministration, entrepreneurship is miracle in other country as it is an engine for job creation, innovation and diversity; government should genuine recognize the essence of entrepreneurship to economic development.(Ihugba, Odii, & Njoku, 2013). The study advancing the knowledge on the pre requisites for building innovative entrepreneur.(Boxenbaum & Battilana, 2004)gained a better understanding of institutional entrepreneurs' ability to innovate the idea that in order to activate their innovative ability, actors must be integrated in several fields. The inventive ability, once triggered, allows actors to transpose a means-end designation across fields in the sense that they recognise a problem-solving opportunity, establish field similarity, and discover two means-end designations with comparable aims but diverging ways.

Every nation must improve the quality of their human resources in order to bring benefits and utility to their communities.21 State Governments in India are pursuing start-up policies. States like Karnataka, Kerala, Maharashtra, and Telangana are reforming policies along with setting up state-financed and managed incubators and entrepreneurship cells. To encourage entrepreneurs, certain rewards for innovation are being given out and the Government is working towards building a better network by linking them to the industry. Consequently, these states have been reaping the benefits of increased start-up activity and attention from private investment.(Dixit, 2019). From the literature it is found that very few studies are related to enablers and challenges of Apparel Entrepreneurs in Delhi-NCR region.

Therefore, this study is an attempt to fill the existing research gap. The research will be conducted with various apparel entrepreneurs.

Following factors are extracted from Review of Literature on which further research will be conducted:

- Social Challenges
- Financial Challenges
- Marketing Challenges
- Technological Challenges
- High Need for Achievement
- Incubators
- Family Support
- Innovation Strategies

SECTION 3

3.0 Conceptual framework

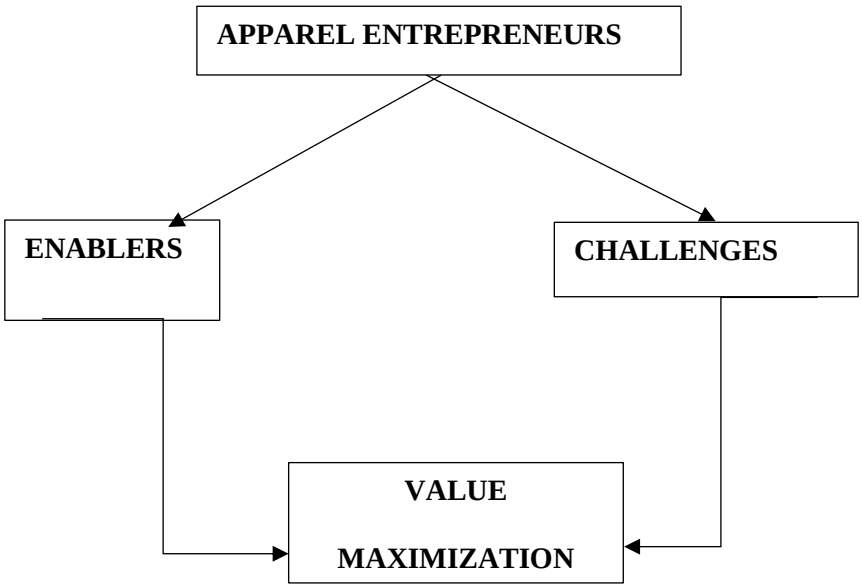

Figure 1: Conceptual Framework of the study

(Source: Self-Construct)

SECTION 4

4.0 Overview of Proposed Research

4.1 Statement of the Problem

An entrepreneur seeks to spur change while simultaneously fostering the growth of the people and environments around him. He or she is a person who develops and implements a plan first in their minds before working well with a team to put those ideas into action. Entrepreneurs encounter a variety of challenges, such as finding funding sources, trustworthy suppliers, devoted clients, the right staff, unexpected competition, and keeping up with the government's rules and regulations as well as the industry's constantly evolving trends(Raj, 2016).

Due to the special package of incentives granted by the government of India, and several other concessions given to entrepreneurs, several entrepreneurs have emerged as budding entrepreneur, it is inferred that entrepreneurs are playing a significant role in the development of nation, but at the same time, they are facing problem at every stage which are very much unfavourable to the development of entrepreneurship. Therefore, there is need for more specific studies on entrepreneurship so that the various challenges and enablers of entrepreneurship could be understood in the larger context.

Based on above discussions, a study in this direction encourage to entrepreneurs for an effective contribution to the Indian economy.

4.2 Need of the Study

In any developing nation, entrepreneurs play an important role, particularly in terms of their contribution to economic growth. The triggers for this transformation have been a generation of young, active youngsters with an intention to make that difference for themselves and the world around them, as well as educational institutions that are supporting entrepreneurship more strongly. The literature review reflects that entrepreneurs are mainly facing problems with the supply of raw materials, transportation, distribution, less capital, staff, and promotion. The utilization of government-sponsored schemes is quite low. There is a need for education regarding the different incentives, subsidies, and marketing support offered by the central and state governments. (M.Muthuchitra, 2013)

In order to move forward on this path, the researcher would like to identify the Challenges and enablers faced by Apparel entrepreneurs.

Researcher decided to conduct study entitled **"An investigation of the Opportunities and Impediments of Apparel Entrepreneur."**

4.3 Objectives

1.To undertake socio-economic and demographic profile of Apparel entrepreneurs.

2.To identify the factors that act as challenges and enablers of Apparel Entrepreneurs.

3. To study the impact of enablers on Apparel Entrepreneurs.

4. To study the impact of challenges on Apparel Entrepreneurs.

5. To develop a conceptual model to overcome the challenges of Apparel Entrepreneurs.

4.4 Hypothesis

The research framework can be written as the following research hypotheses:

H_1: High need for achievement has a positive influence on Apparel entrepreneurs.

H_2: Incubators has a positive influence on Apparel Entrepreneur.

H_3: Family Support has a positive influence on Apparel entrepreneurs.

H_4: Innovation Strategies has a positive influence on Apparel Entrepreneur.

H_5: Social Challenges has a negative influence on Apparel Entrepreneur.

H_6: Financial Challenges has a negative influence on Apparel Entrepreneur.

H_7: Marketing Challenges has a negative influence on Apparel Entrepreneur.

H_8: Technological Challenges has a negative influence on Apparel Entrepreneur.

4.5 Research Methodology

Research Design: For the proposed research descriptive research design has been adopted.

4.5.1 Nature of the study

As the study requires in- depth knowledge and analysis of data, the research would be descriptive case study.

4.5.2 Locale of the study

The Locale of the present study will be confined to the apparel entrepreneurs in Delhi-NCR regions.

The New Delhi National Capital Region (NCR) has one of the highest concentrations of Apparel industry employment in India. The NCR produces 40% of India's readymade garment exports and is the country's top RMG cluster. The Okhla Industrial Area in New Delhi's southeast is home to most of

the garment manufacturers in the NCR. The industrial area accounts for 40% of RMG made commodities in the NCR. This industrial region, which is one of the largest in the country, is home to almost 4,000 factories. (Choe et al., 2011).

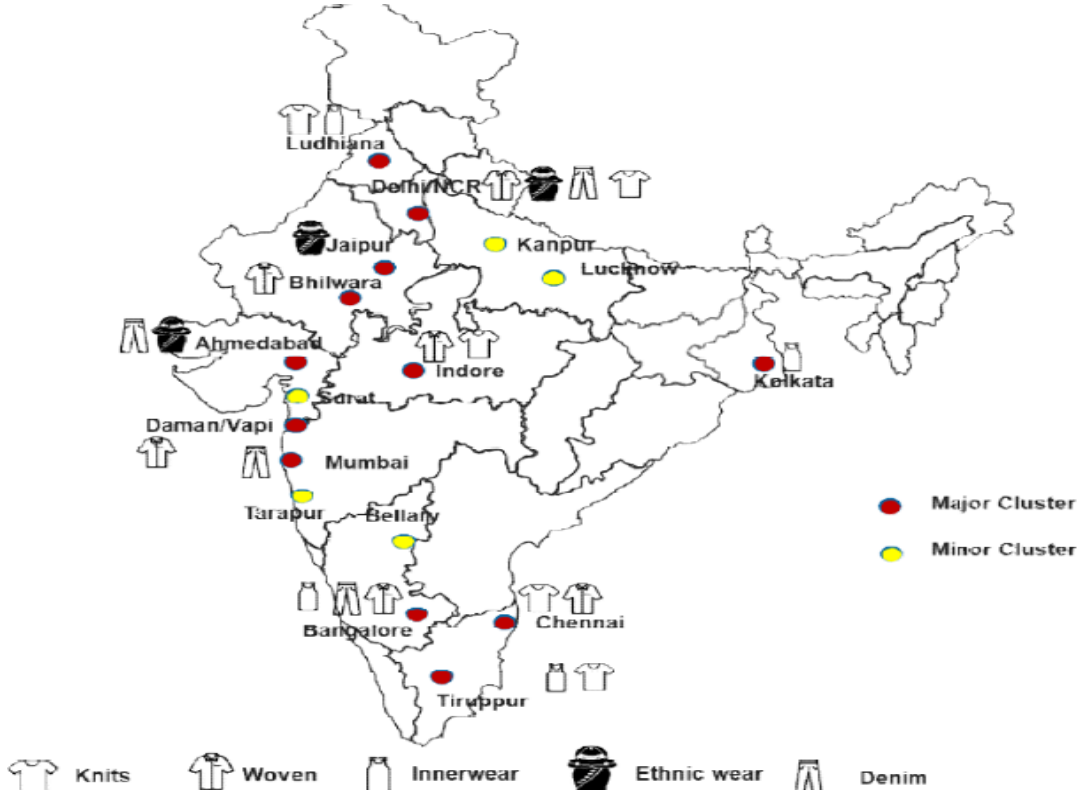

Figure 2: Map of Country's top Readymade Garment Industries
(Source: Verma 2021, MSME)

4.5.3 Sampling method

The Apparel Enterprises should be in existence for 5 years will be considered.

4.5.4 Sample size

Table 2: Sample Size

Regions	Sample Size
Delhi-NCR Regions	10 Apparel entrepreneurs

(Source: compiled by the Researcher)

4.5.5 Data Collection

The data for the study will be collected through both primary as well as secondary sources.

Primary sources*:* For the Primary data opinionnaire, schedules, interviews, focus groups and observation methods will be used.

The primary data will be collected from the Apparel entrepreneurs. Data will be collected with the help of well-ordered opinionnaire.

In-Depth interviews: The data will be collected on the profile, challenges, and enablers in the Apparel sector.

Case study Method

In the field of business, case studies are a common research technique. Case studies are intended to investigate problems within the confines of a particular setting, circumstance, or organization. Analyzing the progression of interpersonal interactions after a predetermined amount of time is the goal of descriptive case studies. Studies in this field of business research typically describe culture or subculture and seek to identify the key phenomena.(Methodology, 2022)

Secondary sources: The secondary data will be collected from published and unpublished secondary data such as annual reports, the company's websites, MSME, Ministry of Textiles Report, various newspaper, periodicals, articles, journals, business magazines etc. to identify the challenges faced by entrepreneurs and enablers of apparel entrepreneurs. Further, internet web sources were also used to collect the latest information of government schemes for entrepreneurs.

4.5.6 Statistical Tools Applied

For the analysis, findings and to draw the inferences, the statistical tools will be used like, T-Test, Correlation, SPSS, MS-Excel software will be used for the data analysis.

SECTION 5

Proposed Outline of the Study

The thesis will contain the following chapters:

Chapter 1: Introduction

Chapter 2: Review of Literature

Chapter 3: Research Methodology

Chapter 4: Data analysis, Results, and Interpretations

Chapter 5: Conclusions and Suggestions

- References
- Annexures

SECTION 6

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